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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FCC MAIL SECTION

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In the Matter of )  
Billed Party Preference )  
for 0+ InterLATA Calls )

CC Docket No. 92-77

ORIGINAL  
FILE

**COMMENTS OF  
LITEL TELECOMMUNICATIONS CORPORATION**

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## **I. INTRODUCTION AND SUMMARY**

LiTel Telecommunications Corporation d/b/a LCI International ("LCI") hereby files these comments in response to the Federal Communications Commission (Commission) Notice of Proposed Rulemaking (FCC 92-77) released by the Commission in the above-captioned proceeding on May 8, 1992 [hereinafter "Further Notice"]. Set forth in its Further Notice the Commission proposed to adopt a Billed Party Preference plan. Pursuant to the Commission's proposed Billed Party Preference Plan 0+ interLATA calls would be sent to the operator service provider ("OSP") chosen by the party paying for the call. The Commission has requested comments from interested parties on various aspects of Billed Party Preference. Set forth below are LCI's comments in support of a Billed Party Preference Plan ("BPP").

## **II. IMPACT OF BILLED PARTY PREFERENCE ON CONSUMERS**

In today's operator service environment the operator service provider offers a commission to property owners in order to become the presubscribed operator service provider ("OSP") of that payphone or property. In this environment little attention, if any, has been given to the impact on the end-user who is the actual end-user of the OSP services at such locations. LCI agrees with the Commission that under a proposed BPP plan that the focus of

OSPs would be, at least with regard to 0+ calls, on the end-user. However, based on the technical and administrative issues that surround the implementation of BPP it is unlikely that BPP will be implemented in the immediate future. Therefore, today's OSP environment, where end-users are required to dial access codes if they elect to utilize a OSP that is not the presubscribed carrier of that property or payphone, will continue until such time as BPP is implemented. The Commission has asked for comments from interested parties on what they believe will be consumers' attitudes towards and acceptance of access code dialing and how those attitudes are likely to change during the period prior to the deployment of BPP. LCI believes that consumers view access codes as a necessary evil to utilize the carrier of their choice. LCI also believes, that while customers may prefer to utilize their carrier of choice they do not actually do so mainly because of the need to utilize an access code. LCI does not believe that this consumer reluctance to use access codes during the period leading up to the implementation of BPP will change significantly. In addition, educating consumers on the use of a carrier's access code takes considerable sums of money and therefore, is only a feasible concept for the three largest OSP providers. LCI does not foresee a time when consumers will accept having to continue and use an access code as the only means of ensuring they are billed by their carrier of choice.

### III. APPLICATION OF BILLED PARTY PREFERENCE

Billed Party Preference should be applicable to all 0+ calls, including 0+ calls from all properties, private payphones as well as public pay phones. While LCI believes that 0+ should be applicable from virtually all locations, LCI is concerned with possible increases in access time associated with the implementation of BPP. Increased access times will have a negative impact on OSP's costs. This in return could have a negative effect on the rates end-users pay. LCI believes that for consumers to receive the full benefits of BPP that any increase in access time must be mitigated prior to the introduction of any BPP plan. Assuming, that the Commission does implement BPP that results in increased access time, then it is competitively critical that any increase in access time be applicable to all IXCs, including AT&T. Any BPP plan that would provide any access advantage to AT&T above those currently received by AT&T as well as those that it may receive under the Commission's switched access transport plan<sup>1</sup> would not be supported by LCI and should not be tolerated by the Commission.

### IV. COMPETITIVE PAYPHONE PROVIDERS

On May 18, 1992 the Commission released its Second Report and Order requiring payphone compensation to be paid to payphone

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<sup>1</sup>/ Transport Rate Structure and Pricing, CC Docket No. 91-213.

owners for access code calls. LCI believes that any BPP plan that is adopted by the Commission should not require payment of any form of compensation to the owners of payphones by the OSPs. However, if the Commission does require some form of compensation, then LCI strongly urges the Commission to adopt a compensation mechanism that would require compensation to be paid only by the OSP that received the benefit of BPP calls made from the applicable payphone. Under no circumstances should a compensation plan be adopted that would require a flat charge per payphone. In addition no plan should be adopted that would require a few OSPs to carry the burden of compensation for all OSP as currently required under the Commissions order in CC Docket 91-35.

V. IMPLEMENTATION OF BILLED PARTY PREFERENCE

LCI believes that in order to avoid customer confusion and to effectively implement a nationwide Billed Party Preference plan all LECs should be required to participate. To permit certain LECs to be excused from participating in the BPP plan would undermined the concept of BPP. The Commission must also ask itself the question of what will happen to the OSP rates in those areas where BPP is not available. Will rates increase as OSPs bid for the few payphones and properties in these area? While LCI understands that not all LECs may not be capable of handling BPP preference at the time of implementation, the FCC should establish an implementation schedule for such LECs to ensure that they are capable of handling BPP within a reasonable amount of time.

LCI agrees with the Commission that Part 68 of the Commission's rules should be amended to preclude traffic aggregators and payphone providers from using automatic dialing mechanisms to dial around billed party preference calls.

VI. ASSIGNMENT OF 0+ CARRIERS

LCI supports a BPP plan where by customers choose their primary 0+ carrier via a balloting process, such as the balloting process that has been developed for 1+ presubscription. This process would entail the LEC sending a ballot to its subscribers explaining their right to choose a 0+ carrier and setting forth their choices. In equal-access areas a non-response from the customer would result in the customer being defaulted to their 1+ carrier. The Commission has also asked for comments on whether billed party preference could be implemented in non-equal access areas. If the BPP plan adopted by the Commission includes non-equal access areas the Commission must ensure that a mechanism is established to fairly assign customers who have not actively selected a 0+ carrier. These customers must be fairly allocated among all OSPs and not just to their current 1+ carrier, who in this case would be AT&T. LCI recommends that customers who have not actively selected a 0+ carrier in non-equal access areas be assigned based on their current percentage of 0+ allocation. For example, if an OSP has received 5% of all 0+ ballots then that OSP should receive 5% of customers in non-equal access areas who have not actively selected a 0+ carrier.

## VII. SECONDARY OPERATOR SERVICE PROVIDER

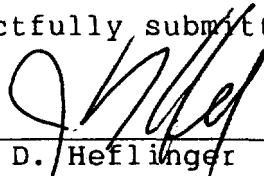
LCI supports the position that the primary OSP should be permitted to select a secondary OSP to handle traffic originating in areas in which the primary OSP is not able to provide service. However, LCI believes that the OSP should be permitted to select more than one secondary carrier for its traffic. LCI believes that if this is not permitted OSPs would virtually be forced to choose AT&T to ensure that all secondary and tertiary markets would be capable of receiving service. However, if more than one secondary OSP was chosen the primary OSP could enter into arrangements with various secondary carriers to establish the best terms under which service could be provided to the customer, as well as ensuring that all markets could be served. LCI does not favor allowing end-users to choose the secondary OSP. LCI believes that without proper information end-users will not be able to determine which secondary carrier serves a particular segment of the country. Therefore, an end-user could very likely select two regional carriers, one as their primary OSP and one as their secondary OSP. In addition, since the primary carrier must enter into contractual arrangements with the secondary OSP it is essential that their relationship not be an adversarial one.

## VIII. CONCLUSION

LCI believes that the adoption of a Billed Party Preference plan by the Commission will generate beneficial competition aimed

at end-users. However, this consumer benefit can not be implemented to the detriment of OSP providers. Therefore, LCI urges the Commission to adopt a plan that mitigates any increase in access time, and in any event should not adopt a plan that would provide any access advantage to AT&T. In order for consumers to fully benefit from a BPP plan it must be effectively implemented. LCI recommends a balloting structure similar to todays 1+ presubscription process for equal access areas. For non-equal access areas LCI believes that end-users who do not actively select a 0+ carrier should be allocated to OSPs based on the percentage of 0+ ballots that they have be selected on. Finally, LCI believes that to for OSPs to effectively provide BPP on a nationwide basis, the OSP must have the ability to select multiple secondary 0+ carriers.

Respectfully submitted,



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